

**THE EFFECT OF SERVICES MARKETING MIX ELEMENTS ON CUSTOMER-  
BASED BRAND EQUITY: AN EMPIRICAL STUDY ON MOBILE  
TELECOMMUNICATION SERVICE IN INDONESIA**



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**HALAMAN PERSETUJUAN**

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**HALAMAN PENGESAHAN**

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# **THE EFFECT OF SERVICES MARKETING MIX ELEMENTS ON CUSTOMER-BASED BRAND EQUITY: AN EMPIRICAL STUDY ON MOBILE TELECOMMUNICATION SERVICE IN INDONESIA**

## **Abstrak**

Makalah ini membahas pengaruh elemen bauran pemasaran jasa terhadap ekuitas merek berbasis pelanggan melalui studi empiris layanan telekomunikasi seluler di Indonesia. Penelitian ini bertujuan untuk mengetahui pengaruh elemen tersebut pada ekuitas merek berbasis pelanggan dan untuk mengungkapkan elemen yang paling berpengaruh. Data dikumpulkan dengan menggunakan survei berbasis kuesioner yang terdiri dari 50 pertanyaan dan dibagikan kepada 120 responden yang terdiri dari semua konsumen telekomunikasi selular Indonesia di 2 kota di Indonesia, yaitu Solo dan Madiun. Untuk menganalisis data yang diperoleh dari kuesioner, metode kuantitatif dipekerjakan. Hasil penelitian menunjukkan bahwa elemen bauran pemasaran jasa secara bersamaan memiliki pengaruh yang signifikan terhadap dimensi ekuitas merek berbasis pelanggan yaitu kesadaran merek, citra merek, persepsi kualitas dan loyalitas merek. Akhirnya, penelitian ini merekomendasikan kepada manajemen untuk meningkatkan unsur-unsur bauran pemasaran dengan menerapkan strategi yang tepat untuk mendapatkan pelanggan berbasis ekuitas merek yang tinggi agar lebih kompetitif dalam persaingan.

**Kata kunci:** Bauran Pemasaran Jasa, Ekuitas Merek Berbasis Pelanggan, Telekomunikasi, Indonesia.

## **Abstract**

This paper explores the effect of services marketing mix elements on customer-based brand equity through empirical study of mobile telecommunication service in Indonesia. This study aims to determine the influence of such elements on customer-based brand equity and to reveal which is the most influential. Data were collected using questionnaire-based survey consisting of 50 questions and distributed to 120 respondents comprising all of Indonesian mobile telecommunication consumer in Indonesia city Solo and Madiun. In order to analyze the data obtained from questionnaires, quantitative methods were employed. The findings showed that service marketing mix elements togetherness have a significant effect on customer-based brand equity dimensions i.e. brand awareness, brand image, perceived quality and brand loyalty. Finally, the study recommends that management should improve the marketing mix elements by applying the right mix to gain high customer-based brand equity in order to be more competitive.

**Keywords:** Service marketing mix, customer-based brand equity, telecommunication, Indonesia.

## **1. INTRODUCTION**

In today's competitive markets, number of service companies within the same industry is becoming increasingly similar. Growing levels of competition, will cause customers face

more alternative product, price and variety of quality, so customers will be always find the highest value of several products. Since today's customers are more expecting, they are not just in search of functional advantages, but in search of more tangible ones such as popularity, position, characteristics, life style, success and other factors with which they can have a strong connection. Added value or increasing usefulness of the product accompanying brand is called brand equity (Andreassen and Lindestad, 1998; Kotler, 2000; Rostami et al, 2014).

Seen from this condition, can be generally that company services brand management has an important role. This issue is essential in the design and development of the company's service offerings because the ultimate goal of any company is to have valuable brand equity. Build high brand equity value can enhance its potential choosing by customer and also leads to higher loyalty, inclination of customer to pay more and purchase by customer as well as lower susceptibility of firms in competitive market (Al-Dmour et al, 2013; Pitta and Katsanis, 1995; Yoo et al, 2000).

This means that manager must give more attention to the brand management and company marketing program that can increased brand equity over competitors. Many researcher accepted that by developing effective service marketing mix, the company brand equity value can be increased (Al-Dmour et al, 2013; Ameri et al, 2015; Fathian et al, 2015; Rajh and Dosen, 2009; Rostami et al, 2014). Yoo et al (2000) suggest that service marketing mix elements can play a great role in affecting to increase brand equity and be effective elements on brand equity seems quite necessary for company which desire to enter the arena of competition and surviving in the market.

One of service business sector that must manage good brand management is telecommunication sector. It is undeniable that the need for communication for everyone is now very important in daily life. Rapid technological developments changed the way people communicate over long distances than conventional, such as correspondence becomes more practical, using a mobile cellular with phone call and short message service. Even today with the development of the internet also make a transformation of standard mobile phone to be smartphone, the way communication has evolved into an internet-based. This enables everyone to communicate through video call and social media. It's mean that mobile telecommunication provider in today not only provide communication service, but also provide the consumer need of internet connection.

In developing countries such as Indonesia, development of communication has also reached an awesome stage. Indonesian public awareness of the need for communication

and growing level of purchasing power followed by price of smartphone increasingly affordable, opening up opportunities for companies engaged in the field of mobile telephone services to expand in this sector. There are many companies that competing in mobile telecommunication business sector in Indonesia, that is PT. Telekomunikasi Indonesia Seluler Tbk (Telkomsel), PT. Indonesia Satellite Corporation Tbk (Indosat), PT. XL Axiata Tbk (XL), PT. Smartfren Telecom Tbk (Smartfren) and Hutchinson CPT (Three). Growing level and aggressively penetration of telecommunication sector in Indonesia can seen from continuously communication sector increase the contribution to Indonesia Gross Domestic Product from 5.73% in 2010 to 7.08% in 2015 (Indonesia Statistic Department, 2015) and increasingly number of customer in year to year based on each company annual report every year.

The increasingly fierce market conditions making market participants and company competing to win this competition. Managers in this sector find themselves faced with increasing demands from customers, and face new challenges to achieve what they want and provide clients with superior services in light of the existence of higher competition in the marketplace. Various company that provide similar service, make company must develop and utilize product branding to ensure that companies can enjoy competitive advantage. Managing high value brand equity with the effective marketing mix strategy will be help consumer to response about the company differential marketing of the brand (Al-Dmour et al, 2013; Keller, 1993; Pitt and McCarthy, 2008).

Marketing mix refers to a set of controllable marketing variables that are combined in target market by a company in order to stimulate desired reaction. On the other words, marketing mix is conceptual framework that identifies the principal decision making managers make in configuring their offerings to suit consumers' needs (Goi, 2009; Kotler and Armstrong, 2001; Niharika, 2015).

The concept of marketing mix was introduced for the first time by Borden (1964) that known as 4P', namely product, price, promotion and place or distribution at a marketing manger's command to satisfy the target market. But, due to intangibility, heterogeneity, inseparability, and perishability characteristics of services; service firms have a different marketing mix strategies. Study conducted by Booms and Bitner (1980) founding the new element to apply the marketing mix concept to service. This research adding new 3P element to the original 4P element. The new element is people, process and physical evidence to figure out services problem by having more comprehensive model specified for service product. Brief explanation for each 7Ps marketing mix dimensions is:

- Nature of service elements are defined as an act or performance offered by one party to another that creates benefits for customers by bringing about a desired change in-or on behalf of-the recipient (Lovelock and Wright, 2001).
- Price elements defined as the amount of money charged for a product or services (Kotler and Armstrong, 2001).
- Distribution elements defined as involves the distribution channel, distribution coverage, outlet locations, inventory levels and location (Kotler, 2000).
- Promotion elements mean all of the tools available to the marketer to transform their message about the product strategy to the target market (Al-Dmour et al, 2013).
- People elements defined as all participants that have role at the service delivery process (Al-Dmour et al, 2013).
- Physical evidence elements is the environment in which the service is delivered and any tangible goods that facilitate the performance and communication of the service (Booms and Bitner, 1980).
- Process elements defined as the procedures, mechanism and flow of activities by which a service is acquired and about how a service is delivered to customers (Booms and Bitner, 1980).

According to Keller (1993) brand equity is defined in terms of the marketing effects uniquely attributable to the brand. Lassar et al (1995) also described brand equity as the enhancement in the perceived utility and desirability a brand name confers on a product. Brand equity represents a condition in which the consumer is familiar with the brand and recalls some favorable, strong, and unique brand associations (Pitta and Katsanis, 1995).

The literature on brand equity shows has been examined from two different perspectives. The first perspective of brand equity is financial-based, that more pertinent to determining a brand's valuation for accounting, merger, or acquisition purposes. Second perspective is focused on the consumer behavior effects specific to a particular brand, namely customer-based. This research focuses on customer-based perspective, because for marketers the consumer effects are the appropriate focus and include a number of cognitive effects. And then, customer-based brand equity believed as the driving force for incremental financial gains to the firm.

Customer-based brand equity developed by Keller (1993). In this research, customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand. The advantage of conceptualizing brand equity from the consumer's perspective is that it enables managers to consider specifically how their marketing program improves the value of their brands. Researcher conceptualized brand equity using an associative memory model focused on brand knowledge and involving two components, brand awareness and brand image.



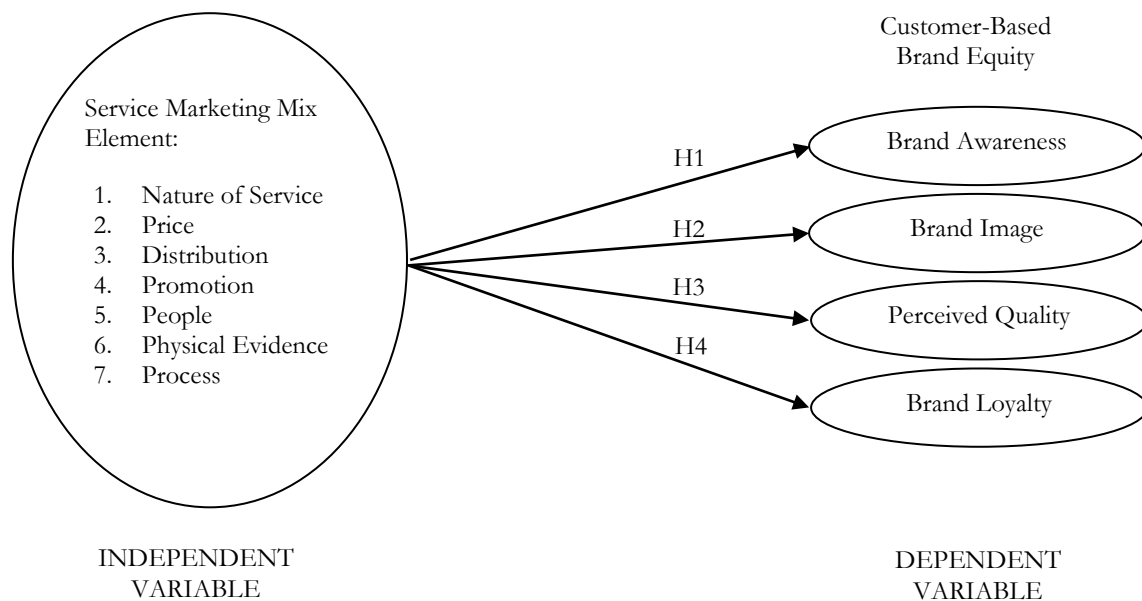
Research conducted by Aaker (1991) found five elements of brand equity, namely perceived quality, loyalty to a brand, awareness of a brand, brand association and propriety assets. And then, Lassar et al, (1995) modify the previous element of customer-based brand equity into five elements. First is replacing quality dimension with performance. Second use social dimension to replace image dimension. Third, distinguish between commitment as a feeling versus commitment as action. Fourth element is value or the perceived brand utility relative to its costs, and the last is trustworthiness, as the confidence a consumer places in the firm and the firm's communications, and as to whether the firm's actions would be in the consumer's interest. Yoo et al (2000) in their research adopt three elements found by Aaker (1991), with adding antecedents of brand equity, which they identify as price, price deals, distribution intensity, store image and advertising expenditure.

Based on the explanation of brand equity dimensions, this study used four dimensions conducted by Al-Dmour et al (2013) and support by Fathian et al (2015) that modify from various study about dimensions brand equity. The element is perceived quality, brand image, brand awareness and brand loyalty. Brand image is used interchangeably with brand association. According to Keller (2001), brand image relates to the associations related to the brand that exist within the minds of customers, and comprises all expectations and knowledge relating to a particular product or service. Brief explanation of each dimension of customer-based brand equity is:

- Brand awareness dimension relates to the likelihood that a brand name will come to mind and the ease with which it does so or how well do the brands serve their function (Keller, 1993).
- Brand image dimension defined as the consumer perceptions about a brand as reflected by the brand associations held in their memory (Keller, 1993).
- Perceived quality dimension defined as the consumer's judgment about a product's overall excellence or superior (Zeithaml, 1988).
- Brand loyalty (Y4) elements defined as the behavioral and attitude aspect that leads a customer to intend to purchase a brand product in his first choice (Pappu, 2006).

Yoo et al. (2000) explore how brand equity can be created by certain marketing mix elements. The paper outlines a conceptual framework describing the relationship between various dimensions of marketing mix and brand equity. The research found that highly level of marketing mix element such price, promotion and distribution, positively correlated to increasing brand equity of services. Rajh & Dosen (2009) also explore how various marketing mix elements affect service brand equity. This research showing how different elements have different effects on service brand equity. The findings draw

conclusions relating to the necessity for concerted efforts regarding employees, advertising, price level, interior appearance and service operation, as each of these factors positively affects service brand equity. The results indicate how important it is to build service brands strategically, with a primary long-term goal to establish service brand equity. However, the research model in this study will show in the picture below:



**Figure 1**  
**Research Framework**

According to those introductions, this study was conducted to examine about how the effect of service marketing mix element on the brand equity of company based on customer based in Indonesia telecommunication service. This research has two purpose, they are to investigate the influence of service marketing mix element by mobile telecommunication service provider on the customer-based brand equity. And the second purpose is to find out the element of service marketing mix that has greatest impact on the customer-based band equity.

## **2. RESEARCH METHODOLOGY**

This research is a causal or explanatory research using survey methods in the process of collection of data. Primary data was collected by direct distributing questionnaires. The descriptive and statistical analysis method was used in this study. Populations of this study are all customer of Indonesia mobile telecommunication service provider. Probability sampling was used to this study. Sampling was taken by using convenience sampling method, it means the sample that will be choosen based on easier to collect the data,

research can be collect in everywhere. The questionnaire used closed-ended questions with 7-point likert scales, scale 1 mean strongly disagree and scale 7 related to strongly agree. Content of questionnaires adopted from study that conducted by Akroush and Al-Dmour, 2006; Yoo et al, 2000; and Al-Dmour et al, 2013. In the questionnaire also consist of name of provider that used by respondent, gender, age, occupation, marital status and spending per months. The questionnaire was distributed for 120 people, according to study conducted by Anderson et al (1998) that argued if the sample size of 100-200 is adequate for the research. Data was collected in Solo and Madiun City.

All of data analysis data in this study calculated using SPSS 23.0 for Windows. Validity test and reliability test was measured before data can be analyze. Validity test used to know about the validity of questionnaire as measurement tool and reliability test was used to measure questionnaire whether it is appropriate to use as a measurement tool or indicator of variables. To measure the validity, researcher used Confirmatory Factor Analysis (CFA) as analysis technique and Cronbach Alpha statistical test ( $\alpha$ ) as reliability test measurement tool. Item of questionnaire can be stated as valid item if the loading factor values higher than 0.3, and a questionnaire can be reliable if the result from test ( $\alpha$ ) is should not bellow 0.70 (Nunnally and Bernstein, 1994).

Multiple linear regression analysis was used to figure out how big the influence of independent variable to dependent variable. Accuracy function regression in estimating the actual value can be measured from statistically test at least this can be measured by the value of the statistic value F-test, T-test, and the value of the determination coefficient ( $R^2$ ). Statistical F-test basically used to find out whether the regression model can be used to predict the dependent variable or not. There are some criteria for making decision, H1 can be accepted if sig. probability  $< 0.05$  and F calculated  $> F$  tabulated. Statistical T-tests basically show how far the influence of one independent variable individually in the dependent variable explained variation. There are some criteria for making decision, H1 can be accepted if sig. probability  $< 0.05$  and T calculated  $> T$  tabulated. Finally, determination coefficient test ( $R^2$ ) is carried to measure how far the ability of framework model for explains about variation by dependent variable. Value of determinant coefficient is between 0-1. Low value of  $R^2$ , mean that ability of independent variable to explain about variation of dependent variable is limited. So, if the value is high or closely to 1, its mean that ability of independent variable to explain about variation of dependent variable is good or almost provide all information needed to predict the dependent variable.

### 3. FINDING AND DISCUSSION

#### 3.1 Descriptive Analysis

From collecting data result, can be known variety of respondent characteristic. Characteristic of respondents based on their telecommunication service used, can learn that most of respondents using Im3 as their telecommunication provider (36.7%), Simpati on the second place (28.3%). The differences between male and female respondent in this research only 6 respondents, where male has more respondent than female. Majority of respondents aged 21 to 30 years old, meanwhile only three respondents aged 41-50 years old and the most of respondent's occupation is student, there are 66.7% of samples.

#### 3.2 Validity and Reliability Test

Table 1 shows the results of validity and reliability test. The table shown that data have been extracted and has a loading factor values more than 0.3 so that the whole items are valid. There are 11 variables which have their own groups. It means that all item valid, and this data are success to past CFA test. Finally, based on the table 1, all of them have higher value than 0.70, so all of variable can be categorize as reliable. Which mean that the reliability of these variables is accepted. This data can be processed further.

Table 1. Result of validity and reliability test

Variable	Question	Component											Cronbach Alpha
		1	2	3	4	5	6	7	8	9	10	11	
Nature Of Service	1					.601							.904
	2					.785							
	3					.689							
	4					.776							
	5					.898							
Price	1							.863					.880
	2							.892					
	3							.692					
Distribution	1		.858										.922
	2		.689										
	3		.780										
	4		.771										
	5		.686										
Promotion	1			.722									.903
	2			.635									
	3			.708									
	4			.625									
	5			.686									
	6			.918									
People	1	.742											.942
	2	.649											
	3	.672											
	4	.730											
	5	.739											
Physical Evidence	1								.745				.917
	2								.720				
	3								.608				
	4								.589				

Process	1	.743			
	2	.754			
	3	.490			
	4	.651			.891
	5	.614			
	6	.536			
Brand	1			.581	
Awareness	2			.810	.768
	3			.751	
Brand	1		.593		
Image	2		.484		
	3		.689		
	4		.640		.899
	5		.544		
	6		.378		
Perceived	1	.759			
Quality	2	.709			
	3	.723			.949
	4	.687			
Brand	1		.703		
Loyalty	2		.805		.837
	3		.770		

### 3.3 Hypothesis Test

H<sub>1</sub>: There is significant impact of Services Marketing Mix elements on Brand Awareness.

To test this hypothesis the multiple regression test is used, and according to the SPSS analysis, it is found that F calculated = 11.285 is greater than F tabulated = 1.91. According to the decision rule, this hypothesis H<sub>1</sub> is accepted, meaning; SMM elements have a positive significant impact on brand awareness. R square value exhibits the capability of the independent variable in predicting the dependent variable; indicating that only 37.7% of the variation in brand awareness is explained by SMM elements (Table 2).

Table 2. The result of multiple regression analysis for the effect of SMM elements together on brand awareness

F calculated	F tabulated	F Sig	R	R <sup>2</sup>	Testing Result
11.285	1.91	.000	.643	.377	Accepted

Table 3 below exhibits the results of each component of SMM taken separately. The result showed that there is a statistical significant relationship between Service Marketing Mix and brand awareness with the nature of service element is the most influential element on brand awareness followed by people element; in order this finding is consistent with other researchers' findings (Yoo et al., 2000; Al-Dmour et al., 2013; and Rostami et al., 2014). Unexpectedly, the results showed that other element, its price, distribution, promotion, physical evidence and process do not have effect on brand awareness. Negative relationship between distribution and brand awareness similar with various study (Yoo et al., 2000; Rostami et al., 2014; Hosseini and Moezzi, 2015), but the other negative relationship contrast with study conduct by Al-Dmour et al., 2013. These may indicate that

creation of brand awareness is the primary goal of good service, especially on mobile telecommunication service that use by almost all people. Good service from service providers affected consumer easily to understanding service, so consumer will be aware. Good service and special treatment of employees also make consumers feel more aware because they can feel it directly.

Table 3. Coefficient of the multiple regression model/ brand awareness

	Model	Unstandardized Coefficient B	Std. Error	Standardized Coefficient Beta	t	Sig.
1	(Constant)	2.871	.477		6.022	.000
	Nature of Service	.326	.088	.374	3.729	.000
	Price	-.137	.074	-.161	-1.841	.068
	Distribution	-.155	.084	-.196	-1.840	.068
	Promotion	.033	.101	.032	.323	.747
	People	.233	.099	.302	2.364	.020
	Physical Evidence	.140	.095	.175	1.480	.142
	Process	.116	.090	.141	1.282	.202

\*Dependent Variable: Brand Awareness

H<sub>2</sub>: There is significant impact of Services Marketing Mix elements on Brand Image.

To test this hypothesis the multiple regression test is used, and according to the SPSS analysis, it is found that F calculated=25.273 is greater than F tabulated=1.91. According to the decision rule, this hypothesis H<sub>2</sub> is accepted, meaning; SMM elements have a positive significant impact on brand image. R square value exhibits the capability of the independent variable in predicting the dependent variable; indicating that 58.8% of the variation in brand image is explained by SMM elements (Table 4).

Table 4. The result of multiple regression analysis for the effect of SMM elements together on brand image

F calculated	F tabulated	F Sig	R	R <sup>2</sup>	Testing Result
25.273	1.91	.000	.783	.588	Accepted

Table 5 below exhibits the results of each component of SMM taken separately. The result showed that nature of service element was the most influential one on brand image followed by promotion. This finding is similar with researchers' findings by Al-Dmour et al., 2013. But, this result also has an contradicts with research by Al-Dmour et al, 2013; because element price, distribution, people, physical evidence and process didn't have an positive relationship with brand image. Previous researches results, states that price strongly affect on brand image followed by process. This result may happen because in Indonesia, the price of telecommunication services is relatively the same as seen in the answers of respondents stating that they use the provider price competitive than other competitors. Service providers must continue to make the prices they charge to remain competitive in order to be acceptable to consumers. There is no a large difference that makes the creating of brand image in terms of price competition is very heavy because of

the competitive price in Indonesia. But therefore, based from this research, company should give more attention to other element except price. Although not give a significant effect, the value of contribution to brand image is still high.

Table 5. Coefficient of the multiple regression model/ brand image

	Model	Unstandardized Coefficient B	Std. Error	Standardized Coefficient Beta	t	Sig.
1	(Constant)	.351	.426		.823	.412
	Nature of Service	.209	.078	.219	2.676	.009
	Price	.028	.067	.030	.419	.676
	Distribution	.130	.075	.149	1.724	.088
	Promotion	.191	.090	.170	2.111	.037
	People	.147	.088	.173	1.662	.099
	Physical Evidence	.130	.085	.148	1.542	.126
	Process	.093	.081	.104	1.158	.249

\*Dependent Variable: Brand Image

H<sub>3</sub>: There is significant impact of Services Marketing Mix elements on Perceived Quality.

The multiple regression test is used to test this hypothesis, and according to the SPSS analysis, it is found that F calculated=33.562 is greater than F tabulated=1.91. According to the decision rule, this hypothesis H<sub>3</sub> is accepted, meaning; SMM elements have a positive significant impact on perceived quality. R square value exhibits the capability of the independent variable in predicting the dependent variable; indicating that 65.7% of the variation in perceived quality is explained by SMM elements (Table 6).

Table 6. The result of multiple regression analysis for the effect of SMM elements together on perceived quality

F calculated	F tabulated	F Sig	R	R <sup>2</sup>	Testing Result
33.562	1.91	.000	.823	.657	Accepted

Table 7 exhibits the results of each component of SMM, taken separately. The result indicate that there is a statistical significant relationship between Service Marketing Mix and perceived quality, and the nature of service element was the most important one on perceived quality followed by process, distribution and people. This finding is consistent with other researchers' findings (Yoo et al., 2000) but there has an little different with some research that mention only distribution element not have significant effect on perceived quality (Al-Dmour et al., 2013; Rostami et al., 2014). Appropriate distribution is needed in telecommunications services. Consumers need easy access to services. Bad distribution from the service provider automatically will decrease the quality of service in the eyes of the customer. Though competition telecommunications services in Indonesia is very tight, so the availability of easily accessible location is very important. Based on those the research results, elements of the price could not be ruled out by the service provider, it can be seen from the high value of T calculated. Its mean the company should be able to

make a set price can be more appropriate with consumers but without reducing quality provided in its efforts to build a high brand equity.

Table 7. Coefficient of the multiple regression model/ perceived quality

	Model	Unstandardized Coefficient B	Std. Error	Standardized Coefficient Beta	t	Sig.
1	(Constant)	-.455	.464		-.979	.330
	Nature of Service	.416	.085	.363	4.872	.000
	Price	.139	.073	.125	1.917	.058
	Distribution	.192	.082	.184	2.333	.021
	Promotion	.064	.098	.048	.646	.519
	People	.199	.096	.196	2.064	.041
	Physical Evidence	-.153	.092	-.145	-1.661	.100
	Process	.272	.088	.252	3.089	.003

\*Dependent Variable: Perceived Quality

H<sub>4</sub>: There is significant impact of Services Marketing Mix elements on Brand Loyalty.

To test this hypothesis the multiple regression test is used, and according to the SPSS analysis, it is found that F calculated=122.171 is greater than F tabulated=2.01. According to the decision rule, this hypothesis H<sub>4</sub> is rejected, meaning; SMM elements have a positive significant effect on brand loyalty. R square value exhibits the capability of the independent variable in predicting the dependent variable; indicating that only 36.6% of the variation in brand loyalty is explained by SMM. (Table 8).

Table 8. The result of multiple regression analysis for the effect of SMM elements together on brand loyalty

F calculated	F tabulated	F Sig	R	R <sup>2</sup>	Testing Result
9.412	1.91	.000	.609	.331	Accepted

Table 9 below exhibits the results of each component of SMM taken separately. The result showed that there is a statistical significant relationship between Service Marketing Mix and brand loyalty, and the price was the most influential one on brand loyalty followed by process and promotion. This finding is consistent with other researchers' findings (Rostami et al., 2014) but this result also contradicts with previous researches from Al-Dmour et al. (2013) which state that all the SMM elements have a positive significant effect on brand loyalty. The author argues the difference in results of this research could have occurred because the location of research is different too. One reason is the easy way to replacing a mobile telecommunications service provider in Indonesia. With so many choices available, consumers can easily switch to another providers consideration the lower price is still a strong appeal in Indonesia. This is illustrated as on the results of this study.



Table 9. Coefficient of the multiple regression model/ brand loyalty

	Model	Unstandardized Coefficient B	Std. Error	Standardized Coefficient Beta	t	Sig.
1	(Constant)	-.467	.730		-.640	.523
	Nature of Service	.015	.134	.011	.110	.913
	Price	.345	.114	.275	3.022	.003
	Distribution	.096	.129	.082	.743	.459
	Promotion	.364	.155	.242	2.350	.021
	People	-.118	.151	-.103	-.780	.437
	Physical Evidence	-.021	.141	-.018	-.147	.883
	Process	.347	.138	.286	2.508	.014

\*Dependent Variable: Brand Loyalty

#### 4. CONCLUSION

Based on this study, element of service marketing mix has a significant impact to brand awareness, brand image, perceived quality, and brand loyalty. This result same with other previous study, but there are some different on element service marketing that give strong and weak effect to each brand equity element. This phenomenon happened because the location of research is different. Nature of service can be state as the most important of service marketing mix element compared with others elements. Service directly has positive impact to three dimensions of brand equity, its brand awareness, brand image and perceived quality or mean if company want to get high value of brand awareness, brand image and perceived quality on the market, they can focused on service with increasing quality of service their provide to customer. However, that doesn't mean other elements can't be ruled out by the company in its efforts to obtain a high value of brand equity, because it proved all the elements together can increase all dimensions of brand equity.

Elements of service marketing mix have most impact to perceived quality dimension. Based from result of multiple regression analysis for the effect of SMM elements together on perceived quality, result of  $R^2$  equal with 0.657 or mean if 65.7% of perceived quality can be explained by all element of service marketing mix, highest value of  $R^2$  value compared other dimensions of customer-based brand equity. This statement supported with value of Constant in multiple regression model, i.e. -0.455. This condition mean if without all element of service marketing mix, high value of perceived quality can't be get it. So, if company wants to get high value of perceived quality, they must plan good service marketing mix strategy.

The limitation of this study is mostly respondent of this research is student. Respondent of this research limited only specific consumer, there are student of economic and business

faculty Universitas Muhammadiyah Surakarta and researcher friend. Based from this limitation, if any other researcher want to continuously study about this topic, researcher suggest respondent not limitation only on student, but also other characteristic of consumer mobile telecommunication. So, the research can cover by many consumers characteristic and the result can be more comprehensive.

Finally, based on value of determination of service marketing mix element to brand awareness and brand loyalty less than 0.5, its mean that there are other element outside of service marketing mix element that can more be explain compared with element on this study. The last researcher suggests that future research can use those other element, so the result can be more comprehensive that can help company to make more competitive strategy to gain high value of brand awareness and brand loyalty on the market.

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